

**§ 53-176. Rates, maturities and amounts.**

(a) A licensee may make installment loans in aggregate amounts not exceeding fifteen thousand dollars (\$15,000) and which shall not be repayable in fewer than 12 months or more than 96 months and which shall not be secured by deeds of trust or mortgages on real estate and which are repayable in substantially equal consecutive monthly payments and to charge and collect interest in connection therewith which shall not exceed the following actuarial rates:

- (1) With respect to a loan not exceeding ten thousand dollars (\$10,000), thirty percent (30%) per annum on that part of the unpaid principal balance not exceeding four thousand dollars (\$4,000), twenty-four percent (24%) per annum on that part of the unpaid principal balance exceeding four thousand dollars (\$4,000) but not exceeding eight thousand dollars (\$8,000), and eighteen percent (18%) per annum on that part of the remainder of the unpaid principal balance.
- (2) With respect to a loan exceeding ten thousand dollars (\$10,000), eighteen percent (18%) per annum on the outstanding principal balance.

Interest shall be contracted for and collected at the single simple interest rate applied to the outstanding balance that would earn the same amount of interest as the above rates for payment according to schedule.

(b) In addition to the interest permitted in this section, a licensee may assess at closing a fee for processing the loan as agreed upon by the parties, not to exceed twenty-five dollars (\$25.00) for loans up to two thousand five hundred dollars (\$2,500) and one percent (1%) of the cash advance for loans above two thousand five hundred dollars (\$2,500), not to exceed a total fee of forty dollars (\$40.00), provided that such charges may not be assessed more than twice in any 12-month period.

(c) The provisions of G.S. 53-173(b), (b1), (c) and (d) and G.S. 53-180(b), (c), (d), (e), (f), (g), (h) and (i) shall apply to loans made pursuant to this section.

(d) Repealed by Session Laws 2013-162, s. 4, effective July 1, 2013.

(e) The due date of the first monthly payment shall not be more than 45 days following the disbursement of funds under any such installment loan. A borrower under this section may prepay all or any part of a loan made under this section without penalty. Except as otherwise provided for pursuant to G.S. 75-20(a), no more than twice in a 12-month period, a borrower may cancel a loan with the same licensee within three business days after disbursement of the loan proceeds without incurring or paying interest so long as the amount financed, minus any fees or charges, is returned to and received by the licensee within that time.

(f) Repealed by Session Laws 2013-162, s. 4, effective July 1, 2013. (1961, c. 1053, s. 1; 1969, c. 1303, s. 12.1; 1981, c. 561, s. 7; 1983, c. 68, s. 1; c. 126, ss. 14, 15; 1989, c. 17, s. 6; 1995, c. 155, s. 1; 2001-519, s. 4; 2013-162, s. 4.)